

# **Dorothea Dix Hospital Cost Reduction Measures**

**Presentation to the LOC for Mental Health,  
Developmental Disabilities and Substance Abuse  
Services,**

October 13, 2010

**Luckey Welsh, Director  
Division of State Operated Healthcare Facilities**



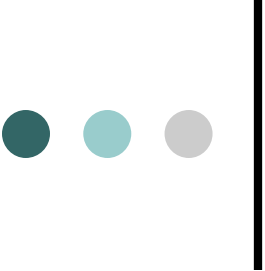
# **Legislative Oversight Committee Meeting September 8, 2010**

- Secretary Cansler shared information on the budget deficit at DDH and described the need for additional beds
- Secretary's Directive to:
  - Implement Cost Reduction Measures at DDH
  - Increase Acute Bed Capacity at Broughton Hospital



# **Legislative Oversight Committee Meeting September 8, 2010 (cont.)**

- Dorothea Dix Hospital (FY2010/2011):
  - Required State Appropriations \$57,936,998
  - Current State Appropriations \$28,986,359
  - Net Unfunded Shortfall \$28,950,638

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- Cost Reduction Plan
  - Timeline for Patient Transfers
  - DDH Employee Placement and Transfers
  - Budget



# The Cost Reduction Plan

- Transfer To CRH:
  - 60 Adult Admission Beds
  - 11 Adult Long Term Beds
  - 54 Forensic Med/Max and Pre-Trial Beds
  - Clinical Research Unit
- Transfer to Cherry Hospital:
  - 30 Adult Long Term Beds
- Remaining on Dix Campus:
  - 30 Forensic Minimum Beds
  - Child Outpatient Program
- **No Reduction in Bed Capacity**



# Timeline for Patient Transfers

## Completed

- Move Patients in Adult Long Term to CRH

## October/November

- Move Patients in Adult Long Term to Cherry
- Move Clinical Research Unit
- Stop Admissions to Inpatient Pre-Trial Evaluation (continue outpatient evaluations)



# **Timeline for Patient Transfers (Cont.)**

## December

- Move Patients in Forensic Maximum
- Stop Admissions to DDH
- Move Pre-Trial Evaluation Services
- Move Patients in Forensic Medium
- Move Remaining Patients in Adult Admission



# DDH Employees

On August 24, Secretary Cansler met with DDH staff in 2 Town Hall

Meetings to directly share with them the budget situation, the need to take significant cost reduction measures at DDH and to answer questions.





## **DDH Employees (cont.)**

- 99% have been offered positions at CRH
- Have priority for any vacancies at DSOHF facilities, including expedited hiring
- Cherry Hospital has facilitated hiring for DDH employees who are interested in transferring to Cherry



# Budget

- The Cost to Operate Units Remaining on Dix Campus (State Appropriations Only):
  - Child Outpatient: \$1,661,558
  - Forensic Minimum: \$7,562,062
  - Total: \$9,223,620
- The cost to open 19 additional Adult Admission Beds at Broughton Hospital is \$2,857,583 (State Appropriations Only)



# Budget (cont.)

## Net Outcome of Cost Reduction Measures

- **Current Operations Cost**  
**Dix Hospital Shortfall \$28.9M**
- **Less:**
  - **Cost to Operate Forensic-Minimum and Child Outpatient at Dix Hospital = \$9.2M (State Appropriations Only)**
  - **Broughton Hospital cost to add 19 Additional AAU Patients = \$2.8M Shortfall**
- **Division's savings after cost reduction measures = \$16.9M (State Appropriations Only) with an increase in bed capacity in the system**